

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JANUARY 22, 2008

The meeting of the State Properties Committee was called to order at 10:11 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members and Xaykham Khamsyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Marc Malkasian, Robert B. Jackson, Daniel Clarke, Tim Harris, Eva Bernardo and Rick Kalunian from the Rhode Island Department of Transportation; Joseph Dias and Mary E. Kay and from the Rhode Island Department of Environmental Management; Ronald Renaud, Marco Schiappa, Annette Jacques, Kevin Nelson and Thomas Wright from the Rhode Island Department of Administration; Sarah Zurier from the Rhode Island Historic, Preservation & Heritage Commission; Steven Feinberg from the Rhode Island Office of Film & Television; Colin Walsh from Hachiko Productions, LLC; Steven King from Quonset Development Corporation; James Moretti from the law firm of Resnick & Caffrey together with his client, Mary Emerson; Peter J. Rotelli from the law firm of Peter J. Rotelli; and Thomas S. Andolfo from Andolfo

Appraisal Associates, Inc.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

Additionally, Chairman Flynn noted for the record that the State Properties Committee Revised Agenda contained an error relating to Item E3: Department of Administration - A discussion regarding the State Properties Committee's draft Rules and Regulations for property sales. Chairman Flynn indicated that the Committee was reminded that the Executive Session portion of the State Properties Committee meeting is not the appropriate forum for any discussion other than those related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public pursuant to Rhode Island General Law 42-46-5(a)(5). Therefore, this item will be deferred to a future meeting of the State Properties Committee. Chairman Flynn noted that the Committee members received a copy of the draft Rules and Regulations and indicated that the same is a preliminary working version and is not being proposed as a final form of the State Properties Committee Rules and Regulations. Chairman Flynn apologized for the error and any inconvenience it may have caused. The next scheduled meeting of the State Properties Committee will be held on

Tuesday, February 5, 2008, at 10:00 a.m.

A motion was made to approve the regular minutes of the State Properties

Committee meeting held on Tuesday, January 8, 2008, by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM A – Historic Preservation & Heritage Commission – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration, Division of Facilities Management and the Rhode Island Historic Preservation & Heritage Commission. This item is deferred to the State Properties Committee meeting scheduled on February 5, 2008, at the request of the Department of Administration.

ITEM B – Department of Environmental Management – A request was made for approval of increased funding for the acquisition of Development Rights to Dutra Farm located in the Town of Jamestown totaling approximately eighty (80) acres of land. Ms. Kay indicated that the Department of Environmental Management is seeking increased funding for the acquisition of Development Rights to Dutra Farm. Ms. Kay explained that the Agricultural Land Preservation Commission and the Town of Jamestown closed on the Developments Rights to the Dutra Farm and Neale Farm at the end of December 2007. Ms. Kay indicated that attached to the presentation memorandum is a funding breakdown of the acquisition of the Neale

Farm and the Dutra Farm, which sets forth the increased funding. Ms. Kay indicated that the Conanicut Island Land Trust collected substantial private contributions, which were donated for the purchase of the Development Rights to Dutra and Neale Farms. However, at the eleventh hour, the Conanicut Island Land Trust withdrew its contribution for the acquisition of development rights to the Dutra Farm. The Conanicut Island Land Trust requested a restriction that any construction on the farm be prohibited. This restriction would include the construction of any agricultural related buildings, which are a permissible use pursuant to the Agricultural Land Preservation Commission requirements. Ms. Kay indicated that the Dutra Family was unwilling to agree to the restriction. Ms. Kay explained that as a result of the Conanicut Island Land Trust's withdrawal of its funding for this acquisition, \$3,500,000 in USDA funding, which had to be utilized on or before January 31, 2008, would be lost. Ms. Kay noted that the Town of Jamestown substantially increased its contribution toward the acquisition as illustrated on the attached funding breakdown. The Farm Land Commission voted to contribute an additional \$422,173 in funding toward the acquisition in order to salvage the \$3,500,000 in USDA funding. Ms. Kay indicated that even with the five (5%) percent increase in funding, the State of Rhode Island's contribution to the acquisition is only fifteen (15%) percent of the total purchase price. Therefore, this project remains a highly leveraged acquisition. Ms. Kay indicated that the acquisition of development rights to the Dutra Farm has been the number one priority of the Farm Land Commission

for the last twenty years. Chairman Flynn clarified that the Conanicut Island Land Trust's objection was that an agreement to allow any construction whatsoever on the property would somehow damage the integrity of the acquisition. Ms. Kay indicated that was correct. Chairman Flynn asked what the Conanicut Island Land Trust will do with the private donations now that it has withdrawn its funding for the acquisition of the development rights to Dutra Farm. Ms. Kay indicated that it is her understanding that the Conanicut Island Land Trust is contacting its private donors to inquire whether they want their contributions returned to them. However, Ms. Kay indicated that the donors may choose to contribute said funds to this project through The Nature Conservancy. In that event, there is a possibility that the Town of Jamestown and the State of Rhode Island could have at least a portion of their additional contributions reimbursed to them.

Ms. Kay indicated that this is simply a possibility and that there is obviously no guarantee relative to what the private donors will choose to do with said contributions. Mr. Pagliarini asked Ms. Kay to clarify whether the closing on the development rights has already occurred. Ms. Kay indicated that the closing on the development rights occurred at the end of December 2007. Mr. Pagliarini asked, hypothetically speaking, what would happen if the State Properties Committee voted to deny the Department of Environmental Management's request for increased funding for this acquisition. Ms. Kay indicated that the Department of Environmental Management would have to request additional funding from a private foundation such as The Nature Conservancy and/or the Champlin Foundation.

Ms. Kay explained that as these events took place during the week of Christmas, the Farm Land Commission and the Jamestown Town Council voted and chose to proceed with the closing on the properties in order to salvage the federal funding. Mr. Pagliarini asked if the Dutra Family was asked to reduce the purchase price by the deficit amount. Ms. Kay indicated that the Dutra Family reduced the purchase price and accepted a sixty (60) day promissory note for the funds, which were not available at that time. A motion was made to approve by Mr. Woolley and seconded Mr. Griffith. Mr. Pagliarini noted for the record that he believes this is wonderful acquisition; however, he is offended by the process. Mr. Pagliarini indicated that it was inappropriate for the Department of Environmental Management to spend money and then ask the State Properties Committee to approve an increase in funding. Mr. Pagliarini indicated that he believes the Department should have requested an emergency meeting of the State Properties Committee and sought approval of the additional funding prior to the closing on the development rights. Mr. Pagliarini indicated that based upon process, he would not vote to approve the Department's request for additional funding. The motion passed four (4)

votes Aye; one (1) vote Nay.

Four (4) Votes "Aye"

Mr. Woolley

Mr. Griffith

Mr. Kay

Chairman Flynn

One (1) Vote “Nay”

Mr. Pagliarini

ITEM C – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over the former Hunt and Anderson properties, located on Potter Hill Road in Westerly totaling approximately 7.31 acres of land. Ms. Kay provided photographs of the subject property for review by the Committee. Ms. Kay explained that the State of Rhode Island’s contribution is being secured through a Conservation Easement over the property from the Westerly Land Trust, which has purchased fee title to the property. Ms. Kay indicated that the subject property is located along the Pawcatuck River and will provide public access to the river. The property consists of two (2) small parcels of land that will become part of what is known as the Pawcatuck River Corridor. The Pawcatuck River Corridor comprises 700 acres of riverfront open space in the Town of Westerly. Ms. Kay explained that Parcel A will provide critical portage to the site for the canoes and kayaks. Ms. Kay indicated that Parcel B provides pedestrian access to the river as well as being an important wetland habitat consisting of many pools. Ms. Kay stated that this project was awarded by a Local Open Space Grant in 2006, and involves the partnership between the Department

of Environmental Management's Local Open Space Grant Program and the State Land Acquisition Program. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for final approval of and signatures on a Conservation Easement over the former Marvell property, located in Little Compton totaling approximately 11.70 acres of land. Ms. Kay indicated that this project involves the partnership between the Department of Environmental Management, NOAA'S Costal and Estuarine Land Conservation Program and The Nature Conservancy. The project is funded entirely through a congressionally directed award from the Costal and Estuarine Land Conservation Program. The acquisition of the Conservation Easement will allow the Department of Environmental Management to obtain federal funds to reimburse The Nature Conservancy, which purchased fee title to the property. The federal funds allocated for this project are in the amount of \$467,922. Chairman Flynn clarified that no State funds are involved in this acquisition. Ms. Kay noted that no State funds are involved. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Cooperative Agreement by and between the Department of Environmental Management and the Wood Pawcatuck Watershed Association regarding improvements to

Switch Road Landing. Ms. Kay noted that this project involves no State funds. Ms. Kay explained that the Wood Pawcatuck Watershed Association received funding from the Department of Transportation and NRCS to improve the property. The improvements include planting vegetation to restore a riparian buffer, creating a safe public canoe access, the placement of erosion control measures, the enhancement of the streetscape and construction of an information kiosk. Ms. Kay indicated that the subject property consists of 3.42 acres. The property was transferred to the Department of Environmental Management from the Department of Transportation in January 2006, with the understanding that it will be improved to enhance public recreation river access to the Wood River. Ms. Kay pointed out the location of the public access and the layout of the property using the site map at Chairman Flynn's request. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement by and between the Department of Environmental Management and the City of Warwick over 4.84 acres of land located on the northerly side of Old Forge Road in the City of Warwick. Mr. Dias explained that the City of Warwick was awarded a Rhode Island Open Space Grant in 2002, in the amount of \$340,000 for the acquisition of the subject property, which is fifty (50%) percent of the appraised value of the property. Mr. Dias explained that there is a cooperative agreement between the City of Warwick and the developers to preserve acreage

in this area. Chairman Flynn asked if there is any proposed active use for this property. Mr. Dias indicated that the master plan proposes some trail use along the water front from the subject property to Goddard Park as well as a kayak launch. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM G – Department of Transportation – A request was made for conceptual approval to convey approximately 13,437 square feet of State-owned property; a portion of the right-of-way abutting 7255 Post Road in the Town of North Kingstown to the applicant, Extended Stay of RI, LLC. Mr. Jackson indicated that the Operating Division of the Department of Transportation approved the conveyance of 9,937 square feet of the subject property. The Operating Division wishes to retain a 1,500 square foot set back for potential transportation use. Mr. Jackson indicated the exact location of the subject property and described the surrounding area using the site map. Mr. Jackson indicated that the applicant wishes to replace an existing septic system; however, there is no septic system. Mr. Jackson indicated the property contains five (5) cesspools. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM H – Department of Transportation – A request was made for approval of and signatures on a Quit Claim Deed transferring approximately 18,238 square feet of land located at the corner of Post Road and Gate Road in the Town of North Kingstown to be used in conjunction with the Quonset “Gateway” project. Mr. Clarke

introduced Steven King, Chief Operating Officer of the Quonset Development Corporation (the “QDC”), which is a subsidiary of the Rhode Island Department of Economic Development. Mr. Clarke explained that the Department wishes to transfer the subject property to the QDC to accommodate the “Gateway” project at Quonset. The original request was to transfer 18,238 square feet of land, however, the actual transfer will be for 15,535 square feet of land. Mr. Clarke explained that the amount of square footage was modified once the Department of Transportation obtained the ground survey and metes and bounds description of the property. Mr. Clarke noted that the Department of Transportation has worked with QDC to salvage some of the plantings, which were done over the property with the reconstruction of Route 403. The parcel itself contains approximately three (3) sub-parcels, two (2) of which were given to the Department of Transportation by EDC/QDC for the reconstruction of Route 403. Therefore, the Department of Transportation is seeking permission of a gratis transfer of the land back to QDC. The remaining 6,697 square feet is owned by the Department of Transportation and QDC will compensate the Department of Transportation for said portion of the property. Mr. Clarke provided maps to the Committee for its review and illustrated the exact location of the subject property and described the layout of the surrounding area. Mr. King indicated that the project includes two (2) multistory office buildings on the corner of Gate Road and Post Road. Mr. King explained the transfer of the subject property will accommodate the setting of the building close to the sidewalks as the QDC wishes to create a pedestrian scale

environment. Mr. Pagliarini asked where the signage for this development will be placed. Mr. King indicated that the signage will be along the entry to Gate Road on Post Road. The proposed signage is approximately four (4') feet in height; built into both sides of a stone wall. Chairman Flynn noted that the signage for the development has been the subject of great discussion among the Design Review Committee for the "Gateway" project. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM I – Department of Transportation – A request was made for approval of and signatures on a Letter of Authorization for the making of the feature film, "Hachiko" by

Hachiko Productions, LLC at the Woonsocket Depot, located at One Depot Square in the

City of Woonsocket. Mr. Malkasian explained that on December 21, 2007, the State

Properties Committee granted approval and executed the on a Letter of Authorization

allowing Hachiko Productions, LLC to commence filming at the Woonsocket Depot on

January 2, 2008, through Tuesday, April 1, 2008. Mr. Malkasian stated that this second

Letter of Authorization is essentially the same as the first Letter of Authorization;

however, it contains two (2) new provisions to the original document.

Hachiko

Productions will now be allowed to film inside the Depot. Pursuant to this Letter of Authorization, Hachiko Productions, LLC will be allowed to construct a 12' x 12' free standing structure (ticket booth), place between 10 to 15 benches inside the depot and hang a sign from the ceiling of the depot. Mr. Malkasian explained that the Cultural Preservation Unit of the Department of Transportation will monitor and oversee all of the work. Hachiko Productions will compensate the Department of Transportation for the staff necessary to monitor the work. The Department of Transportation will keep track of the hours worked by Department of Transportation staff and will submit a bill to Hachiko Productions, LLC for reimbursement for the total compensation paid to said staff. Mr. Feinberg indicated that this film features a wonder cast including Richard Gere and Joan Allen. Hachiko is being directed by Lasse Hallstrom, whose work has been previously nominated for an Academy Award. Mr. Feinberg indicated that the people of the City of Woonsocket support Hachiko Productions, LLC's presence in the City, as do the

representatives and officials of the City of Woonsocket. Mr. Malkasian noted that the Department of Transportation is undertaking a design project, which will significantly enhance the Woonsocket Depot. Hachiko Productions, LLC has agreed to complete some of the items contained in said design project, which will obviously save the Department of Transportation a significant amount of money. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Administration – A request was made for guidance from the State Properties Committee relative to the possible use of Building #79 at the Pastore Center in the City of Cranston for photographing personal artwork and promotional photographs for clients of Rob Fortunato. Mr. Wright indicated that Mr. Fortunato is unable to appear before the State Properties Committee today due to a conflicting travel schedule. Mr. Wright indicated that Mr. Fortunato is a photographer and is seeking guidance from State Properties Committee regarding use of Building #79, located at the Pastore Center Complex. Mr. Wright provided a sheet containing photographs of the interior views of Building #79, which were taken by Mr. Fortunato. Mr. Wright indicated that Mr. Fortunato wants to utilize the subject premises for photo shoots two times per month for approximately four to five months. Mr. Fortunato intends to bring in model(s), a hairdresser, a stylist and a lighting person. Mr. Wright indicated that a usage fee has been discussed with Mr. Fortunato.

Mr. Wright indicated that he has reviewed reports concerning the building's safety and structural capabilities. Mr. Wright indicated that he is not seeking approval of Mr. Fortunato's request at this time, but some guidance in terms of how to proceed in fulfilling any requirements the State Properties Committee may have. Mr. Wright indicated that a daily rental fee in the amount of \$300 has been discussed. Mr. Fortunato was informed that he will be responsible for the cost of security any time people are in the building. Mr. Fortunato will be required to enter into a license agreement with the Department of Administration, which will set forth the terms and conditions under which he will be allowed to utilize the property. Mr. Wright asked the Committee if there are any other documents and/or information it will need in order to obtain approval of such a request. Mr. Wright indicated that the Division of Facilities is beginning to receive more requests of this nature. Mr. Pagliarini recommended that Mr. Wright seek the guidance of Steve Feinberg, Director of the Rhode Island Office of Film & Television, as Mr. Feinberg deals with this type of request on a daily basis. Chairman Flynn noted that the Committee seems to be amenable to Mr. Fortunato's request and once the details are worked out, does not anticipate a problem regarding approval of Mr. Fortunato request. No action was required relative to Item J.

ITEM K – Department of Transportation – A request was made for conceptual and final approval for the acquisition and conveyance of properties designated as State Highway Plats 400B and 361C in the Town of Smithfield. Mr. Harris explained that in order to facilitate an ongoing construction project at Routes 7 & 116 in the Town of

Smithfield, the Department of Transportation is requesting conceptual and final approval for the acquisition and conveyance of property. Mr. Harris provided a site map for review by the Committee and illustrated the exact locations of the subject properties. Mr. Harris explained that the acquisition portion of this transfer consists of approximately 8,410 square feet of land and the disposition portion comprises 16,800 square feet of land. The Department of Transportation will receive compensation in the amount of \$33,560 or \$4.00 per square foot. Chairman Flynn clarified that the land being conveyed to Navigant Credit Union is utilized for landscaping and will continue to be utilized for surface use only. Mr. Harris indicated that is correct. Mr. Pagliarini indicated that the amounts on the two deeds do not collectively add up to the acquisition price. Mr. Pagliarini calculated a discrepancy of \$4,000. Mr. Harris respectfully requested that the State Properties Committee grant conceptual approve of the Department of Transportation's request and then the Department will return with the corrected Warranty Deed and Quit Claim Deed. As this transaction is actually a trading of properties, Mr. Harris asked the Committee whether it will be necessary for the property being conveyed to go through the surplus process. Mr. Kay recommended that the Committee grant conceptual approval for the acquisition and conveyance of the subject properties with the understanding that the Department will correct the deed and return to the State Properties Committee for final approval. A motion was made to grant conceptual approval by Mr. Kay and seconded by Mr. Griffith with the requirement that the Warranty Deed and the Quit Claim Deed be

corrected to reflect the correct purchase price and the Department of Transportation return for final approval of said documents.

Passed Unanimously

ITEM L – Department of Transportation – A request was made for a pretrial conference with the State Properties Committee pursuant to Rhode Island General Laws §37-6-20 relative to the Petition for Assessment of Damages filed by Mary Emerson, LLC vs. the Rhode Island Department of Transportation with regard to the Quonset State Airport Army Aviation Expansion - Condemnation Plat 2687/Plat 4 located at 129 Airport Road, North Kingstown, Rhode Island. Mr. Woolley indicated that it is his opinion that this type of discussion should be conducted in Executive Session as it involves litigation as well as appraisals of the subject property. Mr. Morretti indicated that he agreed that the matter should be discussed in Executive Session, as this is a mandatory pretrial conference to attempt to resolve this matter. Ms. Jacques indicated that both she and Mr. Mitchell of the Department of Administration Division of Legal Services agree that this matter should be taken up in Executive Session; however, because this statute is rarely en-acted, the request was unfortunately not presented to the State Properties Committee as an Executive Session item. Ms. Jacques indicated that if the parties are in agreement, the matter can be set down for the Executive Session portion of the meeting. Chairman Flynn clarified that the matter can not be placed in the Executive Session portion of today's meeting as to do so would violate the Open Meetings Act. Mr. Morretti indicated that it is his interpretation of the statute is that the pretrial hearing

must be concluded within sixty (60) days and noted that if the statute is not complied with in a timely manner, it could most certainly lead to jurisdictional issues in the Superior Court. Therefore, Mr. Morretti believes it is incumbent upon the parties to proceed with the pretrial conference today. Chairman Flynn reminded Mr. Morretti that the State Properties Committee is also required to comply with the Open Meetings Act. Ms. Jacques indicated that the Department of Transportation acknowledges that the Petitioner, through her attorney, filed her request for a pretrial conference before the State Properties Committee in a timely manner and the Department of Transportation agrees to have this matter placed in the Executive Session portion of the February 5, 2008 meeting of the State Properties Committee. Ms. Jacques indicated she strongly doubted that under these circumstances, the Superior Court would deem the Petitioner's Complaint invalid and not allow her to proceed. Ms. Jacques stated that she would go on the record before the State Properties Committee and before the Superior Court that she has no objection. Mr. Moretti agreed that the Petitioner is before the State Properties Committee in a good faith effort to resolve this matter in an amicable fashion; his concern is that the Petitioner is in compliance with the statute. Mr. Woolley stated that the State Properties Committee is taking up the matter today; however, it will put off any substantive discussion until such time as the matter can be placed on the agenda as an Executive Session item and while complying with the Open Meetings Act. After further discussion, a motion was made to continue this item to the next meeting of the

State Properties Committee scheduled on February 5, 2008 in Executive Session by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

Mr. Morretti asked that the record reflect his objection to said motion in order to protect his client's rights, as it is his interpretation of the statute that the parties must confer today and the mandatory pretrial conference must be concluded today to protect his client's rights.

Mr. Morretti asked that the record also reflect that he and his client did appear before the State Properties Committee in a good faith effort to resolve the matter in compliance with Rhode Island General Law §37-6-20.

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Mr. Griffith and seconded by Mr. Kay. A roll call vote was taken and the votes were as follows: Mr. Griffith voted "Aye", Mr. Pagliarini voted "Aye", Mr. Woolley voted "Aye"; Mr. Kay voted "Aye" and Chairman Flynn voted "Aye".

The State Properties Committee closed the Executive Session and returned to

open session at 11:48 a.m.

ITEM E1 – Department of Transportation – A request was made to consult with the State Properties Committee in order to provide an overview of the Department of Transportation's plans for the future management and disposal of real estate, which may become surplus to its needs after the completion of the Relocation I-195 Project. No action was required relative to Item E1.

ITEM E2 – Department of Transportation – A request was made for approval for the acquisition fourteen (14) easements for one year for the completion of the Reconstruction of Route 5 and Route 113 in the City of Warwick (Route 95 Bridge/Metro Center to Potters Avenue). After a discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E3 – Department of Administration – A discussion regarding the State Properties Committee's draft Rules and Regulations for property sales. This matter is deferred to a future meeting of the State Properties Committee Meeting at the request of the Department of Administration.

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:49 a.m. A motion was made to adjourn by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary